

NEW JERSEY DEVELOPMENTAL DISABILITIES RATE SETTING STUDY

INTRODUCTORY MEETING - MAY 9, 2013

**MYERS AND STAUFFER LC (MSLC)
JOHNSTON VILLEGAS-GRUBBS & ASSOCIATES LLC (JVGA)**

DEDICATED TO GOVERNMENT HEALTH PROGRAMS



■ MEETING AGENDA

- Introduce Myers and Stauffer/JVGA
- Review project purpose/objectives
- Review project plan/timeline
- Discuss plan for stakeholder involvement
- Provide time for stakeholder input

■ **TEAM MEMBERS – MYERS AND STAUFFER LC**

Kevin Londeen

Kathy Wade

Annette Laracuente

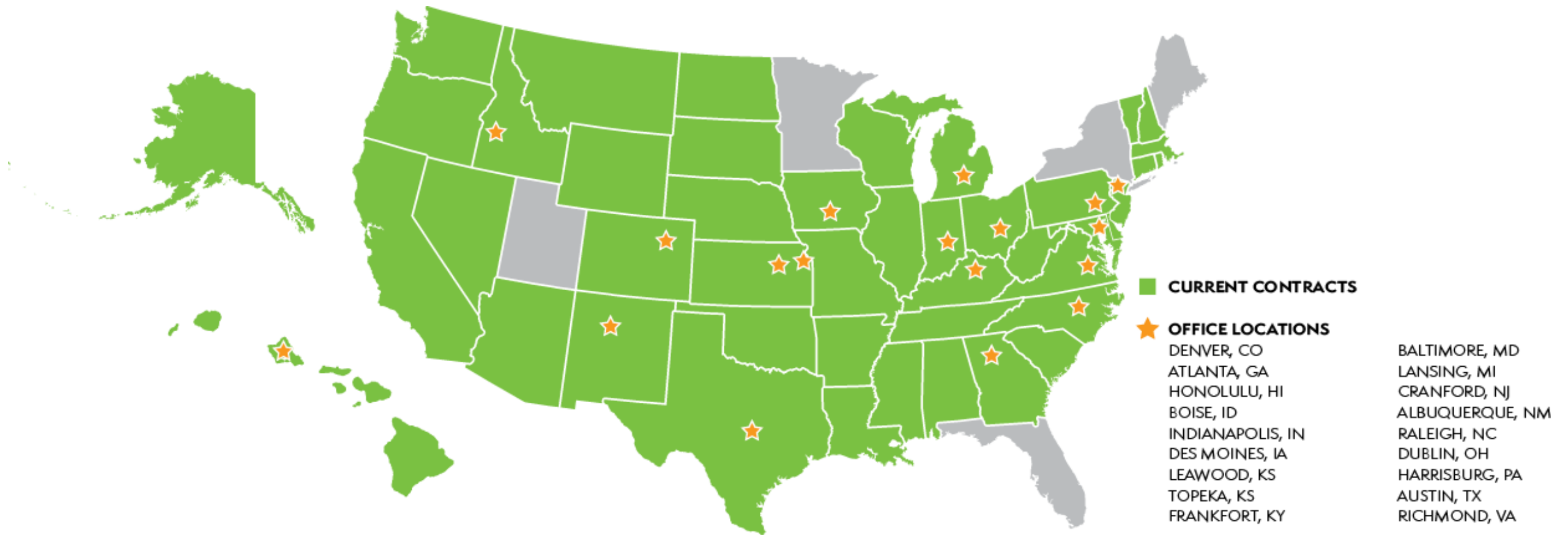
■ MYERS AND STAUFFER LC

- Company organized in 1977
- Works exclusively with state/federal agencies operating public health care programs
- Staff of approximately 570 associates
- Offices in 18 locations



**MYERS AND
STAUFFER^{LC}**
CERTIFIED PUBLIC ACCOUNTANTS

■ MYERS AND STAUFFER LC



■ MYERS AND STAUFFER LC

- Intellectual / Developmental Disabilities Experience
 - Rate Setting
 - Provider Cost Audit/Settlements

■ **TEAM MEMBERS – JVGA LLC**

John Villegas-Grubbs

Claudia Fahrenthold

Robyn Zippilli

■ **JOHNSTON, VILLEGAS-GRUBBS LLC**

- Founded in 2004 / DD Rates in Nine states
- 20+ years of financial and business management of LTC Medicaid programs
- Graduate level social and clinical service experts, 100 years Combined Team Experience in Developmental Disabilities
- Previously the business operations director for the Arizona Department of Economic Security, Division of Developmental Disabilities

■ RATE SETTING PRINCIPLES

- *Responsiveness to standards and consumer needs (Person Centered)*
- *Fairness and Equity*
- *Portability (Money Follows the Person)*
- *Clear and Meaningful Process*

■ PROJECT PURPOSE

- New Jersey Rate Study Goals and Objectives
 - Establish standard fee schedule to be used in movement to a fee-for-service, Medicaid based model
 - Completed fee schedule will address all services, either currently offered under the Community Care Waiver (CCW) or to be offered under the upcoming Supports Program (through the Medicaid Comprehensive Waiver)

■ PROJECT PURPOSE

- New Jersey Rate Study Goals and Objectives
 - Encourage broad-based provider and stakeholder participation
 - Encourage cost efficiencies through new payment system
 - Provide equity in rates or “like rates for like services”
 - Assist state/providers with transition to new reimbursement/payment system

■ PROJECT PURPOSE

- Rate Study Milestones
 - Evaluate current reimbursement practices
 - Develop rate setting methodology for DDD and DMHAS
 - Calculate rates for DDD and DMHAS
 - Develop implementation plan
 - Involve stakeholders throughout project

■ **STAKEHOLDER COMMITTEES**

- Two formal committees established:
 - Advisory Committee– 15 member group (13 providers plus 2 parent representatives) to brainstorm solutions to complicated issues, to address key rate setting factors, and provide industry leadership
 - Financial Committee– 10 member group (all providers) needed to assist rate setters with analysis of general ledger data, allocations of general and administrative expenses, and establish the cost of delivering a particular service to a particular individual

■ ONGOING INPUT AND CONTACT

- We will be scheduling a series of monthly calls to give stakeholders an update on the process
- All questions, suggestions, and stakeholder input regarding the rate setting process should be submitted to:

DDD.RateSetting@dhs.state.nj.us

The email will be monitored by Eric Kaufmann, DDD Budget Director and Rate Setting Project Manager

■ PROJECT PLAN

1. Gather data from state/providers
2. Develop rate models for review by stakeholders
3. Refine rates to reflect input from stakeholders
4. Develop implementation plan

■ PROJECT PLAN – DATA REQUIREMENTS

- Provider current cost and service statistics
- State payments (SFY 2012)
- Program policy description/service requirements

■ PROJECT PLAN-RATE MODELING

- Utilize cost data from providers currently providing services
- Utilize existing staffing structures and descriptions of service expectations
- Develop preliminary rate for fee-for-service program

■ **PROJECT PLAN – RATE REFINEMENT**

- Share detailed rate models with provider Advisory and Financial groups)
- Solicit feedback to improve models

■ PROJECT PLAN – CMS REQUIREMENTS

- Prepare fiscal analysis
- Consult with provider Advisory and Financial groups during development of analysis

■ PROJECT PLAN - IMPLEMENTATION

- Depending on individual provider fiscal impacts, additional rate feature may be considered (e.g., hold harmless, phased rate adjustments, stop loss/stop gain, etc.)
- The goal is to allow each provider time to adjust to new fee-for-service system
- Assist with transition to new payment system

■ PROJECT PLAN – TIME LINE

Duration	Activity
May/June	Gather data
June/July	Analyze data and begin rate modeling
July/August	Complete rate modeling and meet with provider financial/advisory groups
August/September	Refine rates and continue provider meetings
September 30, 2013	Finalize rates
October – January	Implementation

■ KEY QUESTIONS FOR CONSIDERATION

- What opportunities will exist for stakeholder involvement?
- Will rates be based on the available funding in the DDD system or will rates be based on the true cost of care?
- How will geography play into the construction of rates? In your previous rate setting work, how have geographical influences impacted rate development?
- How will vacancies be factored into the rate setting process?

■ KEY QUESTIONS FOR CONSIDERATION

- What will the “provider readiness” process include and what tools / guidance will be given to providers to assess a provider’s ability to convert to a fee-for-service model?
- How will behavioral and medical needs of individuals be addressed and captured in the rate?
- Will providers be asked to convert into a fee-for-service model all at once or will conversion be phased in over time? Will there be a hold harmless period during the conversion?

Questions & Preliminary Input